

## § 414.200

### Subpart D—Payment for Durable Medical Equipment and Prosthetic and Orthotic Devices

#### § 414.200 Purpose.

This subpart implements sections 1834 (a) and (h) of the Act by specifying how payments are made for the purchase or rental of new and used durable medical equipment and prosthetic and orthotic devices for Medicare beneficiaries.

[57 FR 57689, Dec. 7, 1992]

#### § 414.202 Definitions.

For purposes of this subpart, the following definitions apply:

*Complex rehabilitative power-driven wheelchair* means a power-driven wheelchair that is classified as—

(1) Group 2 power wheelchair with power options that can accommodate rehabilitative features (for example, tilt in space); or

(2) Group 3 power wheelchair.

*Covered item update* means the percentage increase in the consumer price index for all urban consumers (U.S. city average) (CPI-U) for the 12-month period ending with June of the previous year.

*Durable medical equipment* means equipment, furnished by a supplier or a home health agency that meets the following conditions:

(1) Can withstand repeated use.

(2) Effective with respect to items classified as DME after January 1, 2012, has an expected life of at least 3 years.

(3) Is primarily and customarily used to serve a medical purpose.

(4) Generally is not useful to an individual in the absence of an illness or injury.

(5) Is appropriate for use in the home.

*Prosthetic and orthotic devices* means—

(1) Devices that replace all or part of an internal body organ, including ostomy bags and supplies directly related to ostomy care, and replacement of such devices and supplies;

(2) One pair of conventional eyeglasses or contact lenses furnished subsequent to each cataract surgery with insertion of an intraocular lens; and

(3) Leg, arm, back, and neck braces, and artificial legs, arms, and eyes, including replacements if required be-

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cause of a change in the beneficiary's physical condition.

The following are neither prosthetic nor orthotic devices—

(1) Parenteral and enteral nutrients, supplies, and equipment;

(2) Intraocular lenses;

(3) Medical supplies such as catheters, catheter supplies, ostomy bags, and supplies related to ostomy care that are furnished by an HHA as part of home health services under § 409.40(e) of this chapter;

(4) Dental prostheses.

*Region* means those carrier service areas administered by CMS regional offices.

[57 FR 57689, Dec. 7, 1992, as amended at 75 FR 73622, Nov. 29, 2010; 76 FR 70314, Nov. 10, 2011]

#### § 414.210 General payment rules.

(a) *General rule.* For items furnished on or after January 1, 1989, except as provided in paragraphs (c) and (d) of this section, Medicare pays for durable medical equipment, prosthetics and orthotics, including a separate payment for maintenance and servicing of the items as described in paragraph (e) of this section, on the basis of 80 percent of the lesser of—

(1) The actual charge for the item;

(2) The fee schedule amount for the item, as determined in accordance with the provisions of §§ 414.220 through 414.232.

(b) *Payment classification.* (1) The carrier determines fee schedules for the following classes of equipment and devices:

(i) Inexpensive or routinely purchased items, as specified in § 414.220.

(ii) Items requiring frequent and substantial servicing, as specified in § 414.222.

(iii) Certain customized items, as specified in § 414.224.

(iv) Oxygen and oxygen equipment, as specified in § 414.226.

(v) Prosthetic and orthotic devices, as specified in § 414.228.

(vi) Other durable medical equipment (capped rental items), as specified in § 414.229.

(vii) Transcutaneous electrical nerve stimulators (TENS), as specified in § 414.232.